

CITY OF MINDEN, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/14/10

CITY OF MINDEN, LOUISIANA
Annual Financial Report
As of and for the Year Ended September 30, 2009

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

The Honorable Bill Robertson, Mayor,
and the Members of the Board of Aldermen
City of Minden, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minden, Louisiana, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Minden, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the City of Minden, Employee Benefit Plan & Trust. These financial statements for this fiduciary fund were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Minden, Employee Benefit Plan & Trust Fund is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

The financial statements do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for the component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the amount of assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units that would have been reported is unknown.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the City of Minden, Louisiana, as of September 30, 2009, or the changes in financial position thereof the year then ended.

In addition, in our opinion based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minden, Louisiana, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 12, 2010, on our consideration of the City of Minden, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis, budgetary comparison, and infrastructure information on pages 4-12 and 53-57 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minden, Louisiana's basic financial statements of the primary government. The combining and individual nonmajor fund financial statements on pages 59-63 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Minden, Louisiana.

The combining and individual nonmajor fund financial statements and the accompanying schedule of expenditures of federal awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Jameson, Wise & Martin

Minden, Louisiana

February 12, 2010



Bill Robertson, Mayor
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Minden, Louisiana's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the City's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The City's net assets increased by 1.8 percent as a result of this year's operations. The total net assets of the City increased by \$1.1 million, from \$59.2 million to \$60.3 million.
- During the year, the City had total revenues of \$27.2 million compared to \$25.3 million last year, an increase of 7.4 percent.
- Total expenses for the year were \$26.1 million, compared to \$24.2 million in the prior year, an increase of 8.0 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 14-15) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 14. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one

Ava H. Morgan
City Clerk - Treasurer

George W. Rolfe, Jr.
Public Works Director

Charles Minfield
City Attorney

Rodney D. Seamster
Councilman - District A

Fayrine A. Kennon-Gilbert
Councilwoman - District B

Magaline Quarles
Councilwoman - District C

Tommy Davis
Councilman - District D

Benny Gray
Councilman - District E



indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including the police, fire, public works, parks and recreation, sanitation and health, highway and streets, and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer, and electrical systems are reported here.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 16. The fund financial statements begin on page 16 and provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes other funds to show that it is meeting legal responsibilities for using certain taxes, grants and other money (sales taxes restricted for specific use). All of the funds of the City of Minden can be divided into three categories: governmental, proprietary, and fiduciary funds.

- **Governmental funds** – Most of the City's basic services are reported in governmental which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.
- **Proprietary funds** – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The City as Trustee

The City is the trustee, or fiduciary, for the Police Bond Fund and the Pension Benefit Trust Fund. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page

24. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for its intended purpose.

THE CITY AS A WHOLE

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Minden, assets exceed liabilities by \$60,267,428 at the close of the most recent fiscal year.

The largest portion of the City of Minden's net assets totaling approximately \$38.5 million (64%) reflects its investment in capital assets (e.g. land, buildings, streets, drainage, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City of Minden uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Minden's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

For the year ended September 30, 2009, net assets changed as follows:

City of Minden's Net Assets						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 11,215,342	10,760,270	13,872,328	14,662,835	25,087,670	25,423,105
Capital assets	<u>18,534,851</u>	<u>16,203,617</u>	<u>23,243,828</u>	<u>23,596,317</u>	<u>41,778,679</u>	<u>39,799,934</u>
Total assets	<u>29,750,193</u>	<u>26,963,887</u>	<u>37,116,156</u>	<u>38,259,152</u>	<u>66,866,349</u>	<u>65,223,039</u>
Current and other liabilities	574,146	641,229	885,184	928,189	1,459,330	1,569,418
Long-term liabilities	<u>4,161,632</u>	<u>3,746,310</u>	<u>977,959</u>	<u>689,891</u>	<u>5,139,591</u>	<u>4,436,201</u>
Total liabilities	<u>4,735,778</u>	<u>4,387,539</u>	<u>1,863,143</u>	<u>1,618,080</u>	<u>6,598,921</u>	<u>6,005,619</u>
Net assets:						
Invested in capital assets, net of related debt	15,224,169	12,696,030	23,243,828	23,436,070	38,467,997	36,132,100
Restricted	3,083,838	2,615,902	378,008	354,196	3,461,846	2,970,098
Unrestricted	<u>6,706,408</u>	<u>7,264,416</u>	<u>11,631,177</u>	<u>12,850,806</u>	<u>18,337,585</u>	<u>20,115,222</u>
Total net assets	<u>\$25,014,415</u>	<u>22,576,348</u>	<u>35,253,013</u>	<u>36,641,072</u>	<u>60,267,428</u>	<u>59,217,420</u>

The City reported positive balances in net assets for both governmental and business-type activities.

Governmental Activities – Net Assets

For the current year, the net assets of the City's governmental activities increased by \$2,438,067.

The restricted net assets of the governmental activities represent the portion of net assets which is not available to finance the day to day operations. The use of restricted assets is subject to constraints established by a voter approved city ordinance. Restricted net assets increased by \$467,936 to a total of \$3.1 million which is available to finance specific funding for sewer and recreational activities.

Business-type Activities – Net Assets

The unrestricted net assets of the City's business type activities decreased by 9.5% or \$1.2 million. Last year the unrestricted net assets had increased by \$1.92 million.

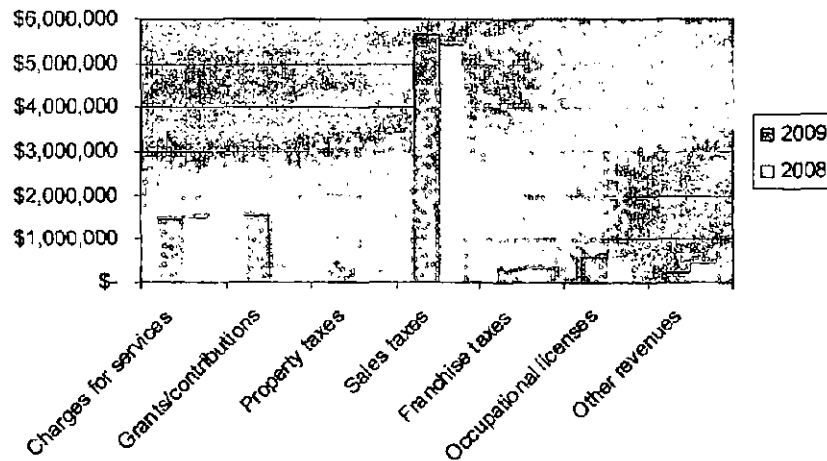
City of Minden's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,440,989	1,500,846	16,190,457	15,555,591	17,631,446	17,056,437
Operating grants/contributions	301,423	298,298	-	-	301,423	298,298
Capital grants/contributions	1,231,405	42,958	330,293	160,247	1,561,698	203,205
General revenues						
Property taxes	451,832	420,445	-	-	451,832	420,445
Sales taxes	5,647,275	5,414,191	-	-	5,647,275	5,414,191
Franchise taxes	299,237	314,529	859	4,441	300,096	318,970
Occupational licenses	555,106	514,985	-	-	555,106	514,985
Other general revenues	<u>237,675</u>	<u>445,854</u>	<u>496,546</u>	<u>642,285</u>	<u>734,221</u>	<u>1,088,139</u>
Total revenues	<u>10,164,942</u>	<u>8,952,106</u>	<u>17,018,155</u>	<u>16,362,564</u>	<u>27,183,097</u>	<u>25,314,670</u>
Program expenses						
General government	2,832,526	2,386,043	-	-	2,832,526	2,386,043
Public safety	3,547,701	3,202,575	-	-	3,547,701	3,202,575
Highway and streets	1,366,744	1,897,364	-	-	1,366,744	1,897,364
Sanitation and health	1,046,306	1,000,335	-	-	1,046,306	1,000,335
Parks and recreation	1,745,314	1,593,718	-	-	1,745,314	1,593,718
Public works	367,153	349,539	-	-	367,153	349,539
Interest on long-term debt	165,688	172,433	-	-	165,688	172,433
Water	-	-	1,624,108	1,487,835	1,624,108	1,487,835
Sewer	-	-	1,409,438	1,352,174	1,409,438	1,352,174
Electric	-	-	10,884,259	9,717,220	10,884,259	9,717,220
Other	-	-	<u>1,143,852</u>	<u>1,029,338</u>	<u>1,143,852</u>	<u>1,029,338</u>
Total expenses	<u>11,071,432</u>	<u>10,602,007</u>	<u>15,061,657</u>	<u>13,586,567</u>	<u>26,133,089</u>	<u>24,188,574</u>
Excess (deficiency) before transfers	(906,490)	(1,649,901)	1,956,498	2,775,997	1,050,008	1,126,096
Transfers	<u>3,344,557</u>	<u>1,616,419</u>	<u>(3,344,557)</u>	<u>(1,616,419)</u>	-	-
Change in net assets	2,438,067	(33,482)	(1,388,059)	1,159,578	1,050,008	1,126,096
Net assets, beginning of year	<u>22,576,348</u>	<u>22,609,830</u>	<u>36,641,072</u>	<u>35,481,494</u>	<u>59,217,420</u>	<u>58,091,324</u>
Net assets, end of year	<u>\$25,014,415</u>	<u>22,576,348</u>	<u>35,253,013</u>	<u>36,641,072</u>	<u>60,267,428</u>	<u>59,217,420</u>

The City's total revenues increased compared to last year's by \$1.87 million. Likewise, the City's programs and services costs increased by \$1.94 million. Of this total, \$469,000 of the increase occurred within the governmental type activities and \$1.5 million occurred within the business type activities.

Governmental Activities

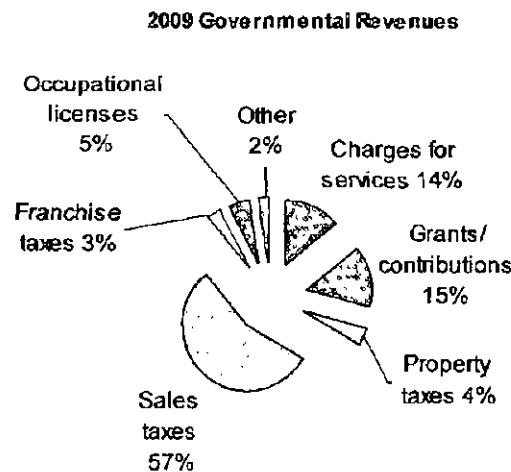
Comparison of current year and prior year
governmental activity revenues



The total revenues for governmental activities increased \$1.2 million for this fiscal year. This overall increase is attributed to the receipt of federal and state grant funding for City projects. Some grants include funding to purchase \$16,000 of police equipment and \$151,000 of fire equipment.

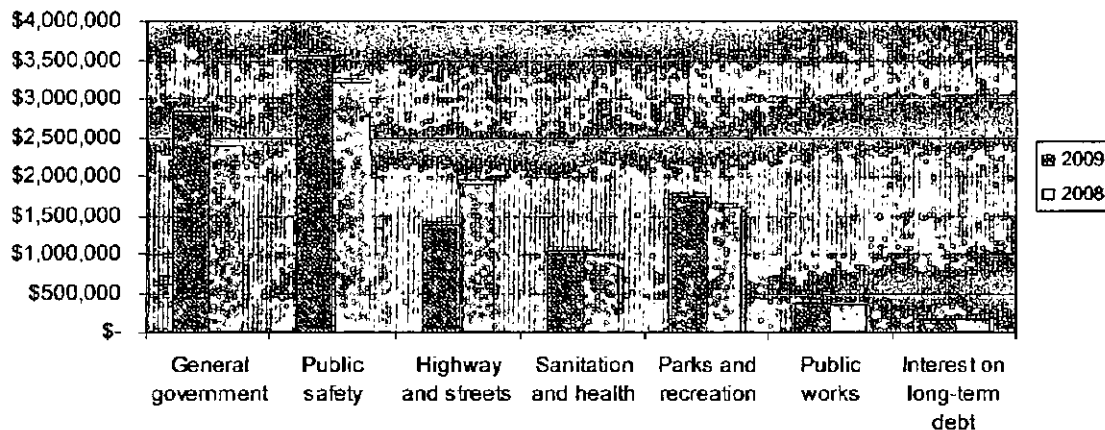
This fiscal year, the City earned approximately \$882,000 of a \$1 million dollar grant award to cover the costs of the City's sidewalk improvement project.

The City's governmental activities rely heavily on sales tax. Sales taxes account for \$5.6 million out of the City's \$10.2 million governmental revenues. The following chart displays the various types of governmental revenues and their respective percentage of total governmental revenues received as of September 30, 2009:



The chart below compares program expenses of the current year to the prior year. The City's largest program expenses during the current year were public safety and general government, which are 32% and 26% of the total governmental type program expense in the current year, respectively.

GOVERNMENTAL ACTIVITIES - PROGRAM EXPENSES



Effective with the fiscal year ended September 30, 2009, the City of Minden implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting for Post Employment Benefits Other than Pensions (GASB 45). The City recognized an additional \$600,000 of estimated cost related to the City's plan which provides post employment benefits to retirees.

Public safety includes the expenses incurred within both the police and fire department. During 2009, public safety costs increased to \$3.5 million, over last year's cost of \$3.2 million.

The highway and streets expenses decreased compared to last year's costs by approximately \$530,000. Last year's costs included a \$760,000 street overlay project, while this year's street improvement projects consisted of smaller projects.

Business-type activities

Total revenues received from charges for services increased from \$15.6 million to \$16.2 million. Billings for usage for water, sewer and electricity increase by \$634,866.

The costs of business-type activities increased by \$1,475,909 or 10.9% over last years cost of \$13.6 million. The costs of operating the electric department continue to be 72% of the overall business type costs.

The City was able to transfer funds from the business-type activities to the governmental activities to assist in the day-to cost of operations. The money is available due to the excess of revenues received over the cost of operating the City's utility system. The City transferred approximately \$3.3 million to the governmental activities during the fiscal year.

THE CITY'S FUNDS

Governmental funds – The focus of the City of Minden's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the City of Minden's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$10,445,013, an increase of \$305,204 in comparison with the prior fiscal year. Of this amount, \$10,252,209 or 98% was unreserved indicating availability for continuing City service requirements. A total of \$192,804 has been reserved to pay debt service.

Proprietary funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

A total of \$3,344,557 was transferred from the utility fund to the general fund to assist funding of governmental activities. The amount transferred increased by \$1.7 million over the amount transferred in prior years. During 2009, an additional \$1 million was transferred to a capital project fund setup to account for the costs of the city hall renovation project.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the City Council amended the general fund budget two times.

The first amendment to the general fund budget was to reflect purchases of fire department equipment the cost of which would be reimbursed by insurance as well as reflect the purchase of a fire truck for approximately \$215,000. The second amendment to the budget was to reflect \$203,618 of supplemental pay provided through the State of Louisiana for the City's eligible public safety employees.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of September 30, 2009, the City had \$41,660,464 invested in capital assets including police and fire equipment, buildings, park facilities, water, sewer and electric lines. This amount represents a net increase of \$1,860,530, over last year. The decrease was mainly due to the normal expense recognized for depreciation of capital assets acquired in prior years.

City of Minden's Capital Assets at Year-end (Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 799,547	799,547	332,065	332,065	1,131,612	1,131,612
Construction in progress	2,464,018	389,055	448,354	256,582	2,912,372	645,637
Building and improvements	8,737,051	8,742,824	6,657,615	7,016,406	15,394,666	15,759,230
Land improvements other than buildings	1,713,211	1,682,304	13,527,661	13,631,903	15,240,872	15,314,207
Equipment	1,831,718	1,478,808	2,278,133	2,359,361	4,109,851	3,838,169
Infrastructure	<u>2,989,306</u>	<u>3,111,079</u>	<u>-</u>	<u>-</u>	<u>2,989,306</u>	<u>3,111,079</u>
Totals	<u>\$ 18,534,851</u>	<u>16,203,617</u>	<u>23,243,828</u>	<u>23,596,317</u>	<u>41,778,679</u>	<u>39,799,934</u>

Major construction projects undertaken by the City include the following:

	Costs incurred during <u>09/30/2009</u>	Completed cost <u>of project</u>	Total donation/grant <u>award</u>
Historic Downtown Sidewalk Improvements	\$ 1,274,914	Not completed	\$ 1,068,139*
Airport land acquisition	174,955	Not completed	
Airport Automated Weather System	16,125	Not completed	\$ 200,000*
Airport Phase II	3,000	Not completed	\$ 242,000*
Water playgrounds	204,070	Not completed	
Upgrade to computer software and hardware	229,005	Not completed	
City Hall/Police Department renovations	284,286	Not completed	
Electrical – 2 nd tie line	931	Not completed	
Hwy 531, Electric Line Extension between Hwy 79 & 80	32,100	Not completed	
Replace transformers at Steam Plant	151,508	Not completed	
Sewer Main improvements (2009-2010)	36,610	Not completed	
Sewer improvements	<u>312,785</u>	<u>\$ 538,058</u>	\$ 490,540*
	<u>\$ 2,720,289</u>	<u>\$ 538,058</u>	

* The City was awarded federal and state grants to reimburse all or a portion of the cost of the projects as expenses are incurred.

Debt

At year-end, the City had \$3,265,000 in debt as compared to \$3,460,000 last year.

	Governmental Activities		Business-type Activities		Totals	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation bonds (backed by taxes & City)	\$ 3,265,000	3,460,000	-	-	3,265,000	3,460,000

No new debt was issued during the year. More detailed information about the City's long-term liabilities is presented in Note 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The 2009/2010 budget is comparable to the prior year budget with reductions in expected investment interest revenues.

Group health insurance costs have risen significantly. There will be a 19% increase in premiums effective April 1, 2010. There was a shortfall in our Employee Benefit Fund; therefore, the City of Minden has had to fund costs over the anticipated budget amount.

Sales tax funds as of February, 2010, reflect a decrease of 8.97%.

One area of cost that is anticipated to increase will be the cost of retirement. The City's contribution rates to the Municipal Employees Retirement System will increase from 13.5% to 14.25% effective July 1, 2010. The Firefighters Retirement System will increase from 14% to 21.5% effective, July 1, 2010; and the Municipal Police Employees' Retirement System will increase from 11% to 25%, effective July 1, 2010.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City Clerk's office at 520 Broadway, Minden, Louisiana.

BASIC FINANCIAL STATEMENTS

STATEMENT A

CITY OF MINDEN, LOUISIANA
Statement of Net Assets
September 30, 2009

	<u>Primary Government</u>		
	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,972,704	\$ 4,841,239	\$ 11,813,943
Investments	3,210,712	4,527,655	7,738,367
Receivables (net of allowances for uncollectibles)	597,405	2,481,581	3,078,986
Due from other funds	5,810	52,595	58,405
Due from other governments	253,369	-	253,369
Inventory	40,163	962,688	1,002,851
Prepaid Items	135,179	58,370	193,549
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	-	53,553	53,553
Investment	-	894,647	894,647
Capital assets (net)	18,534,851	23,243,828	41,778,679
Total assets	<u>\$ 29,750,193</u>	<u>\$ 37,116,156</u>	<u>\$ 66,866,349</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries, and other payables	\$ 275,869	\$ 885,184	\$ 1,161,053
Due to other funds	52,595	-	52,595
Bonds and interest payable	245,682	-	245,682
Total current liabilities	574,146	885,184	1,459,330
Noncurrent liabilities:			
Payable from restricted assets	-	570,192	570,192
Compensated absences payable	213,425	157,326	370,751
Net OPEB obligation	604,839	250,441	855,280
Bonds payable	3,065,000	-	3,065,000
Other liabilities	278,368	-	278,368
Total noncurrent liabilities	4,161,632	977,959	5,139,591
Total liabilities	<u>\$ 4,735,778</u>	<u>\$ 1,863,143</u>	<u>\$ 6,598,921</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 15,224,169	\$ 23,243,828	\$ 38,467,997
Restricted for:			
Other purposes	3,083,838	378,008	3,461,846
Unrestricted	6,706,408	11,631,177	18,337,585
Total net assets	<u>\$ 25,014,415</u>	<u>\$ 35,253,013</u>	<u>\$ 60,267,428</u>

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA
Statement of Activities
For the Year Ended September 30, 2009

	Program Revenues			Net (Expenses)/ Revenue	Net (Expenses) Revenues and Changes of Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities								
General government	\$ (2,832,526)	\$ 125,985	\$ 10,866	\$ -	\$ (2,695,675)	\$ (2,695,675)	\$ -	\$ (2,695,675)
Public safety	(3,547,701)	103,508	285,790	314,635	(2,843,768)	(2,843,768)	-	(2,843,768)
Highway and streets	(1,366,744)	-	-	898,320	(468,424)	(468,424)	-	(468,424)
Sanitation and health	(1,046,306)	848,060	-	-	(198,246)	(198,246)	-	(198,246)
Parks and recreation	(1,745,314)	201,373	-	-	(1,543,941)	(1,543,941)	-	(1,543,941)
Public works	(367,153)	162,063	4,767	18,450	(181,873)	(181,873)	-	(181,873)
Interest on long-term debt	(165,688)	-	-	-	(165,688)	(165,688)	-	(165,688)
Total governmental activities	(11,071,432)	1,440,989	301,423	1,231,405	(8,097,615)	(8,097,615)	-	(8,097,615)
Business-type activities								
Water	(1,624,108)	1,403,446	-	-	(220,662)	(220,662)	-	(220,662)
Sewer	(1,409,438)	599,964	-	330,293	(479,181)	(479,181)	-	(479,181)
Electric	(10,884,259)	14,187,047	-	-	3,302,788	3,302,788	-	3,302,788
Other	(1,143,852)	-	-	-	(1,143,852)	(1,143,852)	-	(1,143,852)
Total business-type activities	(15,061,657)	16,190,457	-	330,293	1,459,093	1,459,093	-	1,459,093
Total primary government	\$ (26,133,089)	\$ 17,631,446	\$ 301,423	\$ 1,561,698	\$ (6,638,522)	\$ (8,097,615)	\$ 1,459,093	\$ (6,638,522)
General revenues:								
Property taxes levied for general purposes						427,662	-	427,662
Property taxes levied for historic district						24,170	-	24,170
Sales taxes						5,647,275	-	5,647,275
Franchise taxes						299,237	859	300,096
Occupational licenses						555,106	-	555,106
Grants and contributions not restricted to specific programs						24,683	31,822	56,505
Investment earnings						116,495	139,797	256,292
Other general revenues						96,497	324,927	421,424
Other financing sources (uses):								
Transfers						3,344,557	(3,344,557)	-
Total general revenues, other financing sources and transfers						10,535,682	(2,847,152)	7,688,530
Change in net assets						2,438,067	(1,388,059)	1,050,008
Net assets-beginning						22,576,348	36,641,072	59,217,420
Net assets-ending						\$ 25,014,415	\$ 35,253,013	\$ 60,267,428

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA
Balance Sheet
Governmental Funds
September 30, 2009

ASSETS

	General Fund	Sales Tax Fund	Sales Tax - Sewerage Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 670,712	\$ 1,219,848	\$ 2,311,091	\$ 2,771,053	\$ 6,972,704
Investments	582,251	2,101,866	-	526,595	3,210,712
Receivables (net of allowances for uncollectibles)	17,721	218,617	218,617	371	455,326
Due from other funds	220,811	-	-	-	220,811
Due from other governments	5,535	-	-	-	5,535
Inventory	40,163	-	-	-	40,163
Deposit - escrow	77,506	-	-	-	77,506
Total assets	<u>\$ 1,614,699</u>	<u>\$ 3,540,331</u>	<u>\$ 2,529,708</u>	<u>\$ 3,298,019</u>	<u>\$ 10,982,757</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts, salaries, and other payables	\$ 263,431	\$ 6,691	\$ -	\$ 26	\$ 270,148
Due to other funds	<u>52,596</u>	<u>215,000</u>	<u>-</u>	<u>-</u>	<u>267,596</u>
Total liabilities	<u>316,027</u>	<u>221,691</u>	<u>-</u>	<u>26</u>	<u>537,744</u>

Fund balances:

Reserved for:					
Debt services	-	-	-	192,804	192,804
Unreserved, reported in:					
General fund	1,298,672	-	-	-	1,298,672
Special revenue funds	-	3,318,640	2,529,708	544,281	6,392,629
Capital projects funds	-	-	-	2,560,908	2,560,908
Total fund balance	<u>1,298,672</u>	<u>3,318,640</u>	<u>2,529,708</u>	<u>3,297,993</u>	<u>10,445,013</u>
Total liabilities and fund balances	<u>\$ 1,614,699</u>	<u>\$ 3,540,331</u>	<u>\$ 2,529,708</u>	<u>\$ 3,298,019</u>	<u>\$ 10,982,757</u>

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets

September 30, 2009

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 10,445,013
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	18,534,851
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Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds

Accounts receivable	\$ 136,543	
Accounts receivable from other governments	253,369	
Prepaid insurance	<u>57,673</u>	447,585

Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Accrued interest payable	\$ (45,682)	
Compensated absences	(213,425)	
Bonds, notes, and loans payable	(3,265,000)	
Claims obligation	(278,368)	
OPEB obligation	(604,839)	
Other liabilities	<u>(5,720)</u>	<u>(4,413,034)</u>

Net Assets of Governmental Activities (Statement A)	<u>\$ 25,014,415</u>
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The accompanying notes are an integral part of this statement.

STATEMENT E

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures and
and Changes in Fund Balances
Governmental Funds

For the Year Ended September 30, 2009

	General Fund	Sales Tax Fund	Sales Tax - Sewerage Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Ad valorem	\$ 427,874	\$ -	\$ -	\$ 24,170	\$ 452,044
Sales and use	-	2,823,638	2,823,637	-	5,647,275
Licenses and permits	556,862	-	-	-	556,862
Fees and rentals	635,776	-	-	-	635,776
Charges for services	996,589	-	-	-	996,589
Intergovernmental revenues:					
Federal grants	892,601	-	-	-	892,601
State/Parish	374,761	-	-	-	374,761
Other	23,332	-	-	-	23,332
Fines and forfeitures	106,428	-	-	8,107	114,535
Investment earnings	24,996	57,971	19,547	17,681	120,195
Other revenues	27,957	-	-	5,856	33,813
Total revenues	<u>4,067,176</u>	<u>2,881,609</u>	<u>2,843,184</u>	<u>55,814</u>	<u>9,847,783</u>
EXPENDITURES					
General government	2,354,625	282,977	42,715	502,983	3,183,300
Public safety	3,747,117	-	-	17,210	3,764,327
Highways and streets	2,260,978	-	-	-	2,260,978
Sanitation and health	1,033,901	-	-	-	1,033,901
Parks and recreation	1,944,248	-	-	-	1,944,248
Public works	497,104	-	-	-	497,104
Debt service	-	-	-	363,821	363,821
Total expenditures	<u>11,837,973</u>	<u>282,977</u>	<u>42,715</u>	<u>884,014</u>	<u>13,047,679</u>
Excess (deficiency) of revenues over (under) expenditures	(7,770,797)	2,598,632	2,800,469	(828,200)	(3,199,896)
OTHER FINANCING SOURCES (USES)					
Insurance proceeds	160,543	-	-	-	160,543
Transfers in	6,604,574	-	-	3,401,002	10,005,576
Transfers out	(535,000)	(3,790,624)	(2,335,395)	-	(6,661,019)
Total other financing sources and uses	<u>6,230,117</u>	<u>(3,790,624)</u>	<u>(2,335,395)</u>	<u>3,401,002</u>	<u>3,505,100</u>
Net change in fund balance	(1,540,680)	(1,191,992)	465,074	2,572,802	305,204
Fund balances - beginning	<u>2,839,352</u>	<u>4,510,632</u>	<u>2,064,634</u>	<u>725,191</u>	<u>10,139,809</u>
Fund balances - ending	<u>\$ 1,298,672</u>	<u>\$ 3,318,640</u>	<u>\$ 2,529,708</u>	<u>\$ 3,297,993</u>	<u>\$ 10,445,013</u>

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Year Ended September 30, 2009

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 305,204
--	------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,366,070
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Revenue in the statement of activities that do not provide current resources are not reported as revenues in the funds	176,450
--	---------

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	196,905
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	<u>(606,562)</u>
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Change in Net Assets of Governmental Activities, Statement B	<u>\$ 2,438,067</u>
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The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA
Statement of Net Assets, Proprietary Funds
September 30, 2009

	Business Type Activities - Enterprise Funds		
	Utility Fund	LCDBG - Sewer Improvement Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,841,229	\$ 10	\$ 4,841,239
Investments	4,527,655	-	4,527,655
Accounts receivable, net of allowance	2,470,294	-	2,470,294
Other receivable	11,287	-	11,287
Due from other funds	52,595	-	52,595
Inventory	962,688	-	962,688
Prepaid items	58,370	-	58,370
Total current assets	<u>12,924,118</u>	<u>10</u>	<u>12,924,128</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing bank deposits	53,553	-	53,553
Investment	894,647	-	894,647
Capital assets (net of accumulated depreciation)	<u>23,243,828</u>	<u>-</u>	<u>23,243,828</u>
Total noncurrent assets	<u>24,192,028</u>	<u>-</u>	<u>24,192,028</u>
Total assets	<u>\$ 37,116,146</u>	<u>\$ 10</u>	<u>\$ 37,116,156</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 862,249	\$ -	\$ 862,249
Municipal retirement payable	<u>22,935</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>885,184</u>	<u>-</u>	<u>862,249</u>
Current liabilities payable from restricted assets	570,192	-	570,192
Noncurrent liabilities:			
Compensated absences payable	157,326	-	157,326
Net OPEB obligation	<u>250,441</u>	<u>-</u>	<u>250,441</u>
Total noncurrent liabilities	<u>407,767</u>	<u>-</u>	<u>407,767</u>
Total liabilities	<u>1,863,143</u>	<u>-</u>	<u>1,863,143</u>
NET ASSETS			
Invested in capital assets	23,243,828	-	23,243,828
Restricted for meter deposits	378,008	-	378,008
Unrestricted	<u>11,631,167</u>	<u>10</u>	<u>11,631,177</u>
Total net assets	<u>\$ 35,253,003</u>	<u>\$ 10</u>	<u>\$ 35,253,013</u>

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

For the Year Ended September 30, 2009

	Business Type Activities - <u>Enterprise Funds</u>		
	Utility Fund	LCDBG - Sewer Improvement Fund	Total
Operating revenues:			
Charges for services			
Electric	\$ 14,187,047	\$ -	\$ 14,187,047
Water	1,403,446	-	1,403,446
Sewerage	599,964	-	599,964
Penalties/service charges	216,793	-	216,793
Other charges for services	140,815	-	140,815
Total operating revenues	<u>16,548,065</u>	<u>-</u>	<u>16,548,065</u>
Operating expenses:			
Purchase of power	8,200,696	-	8,200,696
Personal services	2,270,582	-	2,270,582
Materials and supplies	376,969	-	376,969
Insurance claims and expenses	923,686	-	923,686
Repairs and maintenance	1,214,405	-	1,214,405
Other services and charges	747,585	-	747,585
Bad debt expenses	89,224	-	89,224
Depreciation	1,234,018	-	1,234,018
Total operating expenses	<u>15,057,165</u>	<u>-</u>	<u>15,057,165</u>
Operating income (loss)	1,490,900	-	1,490,900
Nonoperating revenues (expenses):			
Interest income	139,797	-	139,797
Management fees	(4,492)	-	(4,492)
Grant revenues	-	330,293	330,293
Total nonoperating revenues and expenses	<u>135,305</u>	<u>330,293</u>	<u>465,598</u>
Income before contributions and transfers	<u>1,626,205</u>	<u>330,293</u>	<u>1,956,498</u>
Transfers in	1,304,492	-	1,304,492
Transfers out	<u>(4,158,509)</u>	<u>(490,540)</u>	<u>(4,649,049)</u>
Change in net assets	(1,227,812)	(160,247)	(1,388,059)
Net assets - beginning	<u>36,480,815</u>	<u>160,257</u>	<u>36,641,072</u>
Net assets - end of year	<u>\$ 35,253,003</u>	<u>\$ 10</u>	<u>\$ 35,253,013</u>

The accompanying notes are an integral part of this financial statement.

CITY OF MINDEN, LOUISIANA
 Statements of Cash Flows
 Proprietary Funds
 Years Ended September 30, 2009

	Business Type Activities - Enterprise Funds		
	Utility Fund	LCDBG - Sewer Improvement Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 16,046,723	\$ -	\$ 16,046,723
Other operating cash receipts	157,972	-	157,972
Cash payments for supplies and services	(10,453,539)	-	(10,453,539)
Cash payments to employees for service	(2,234,960)	-	(2,234,960)
Other operating cash payments	(789,301)	-	(789,301)
Net cash provided by operating activities	2,726,895	-	2,726,895
Cash flows from noncapital financing activities:			
Transfer from other funds	813,952	-	813,952
Transfer to other funds	(4,158,509)	-	(4,158,509)
Net increase in meter deposits	4,955	-	4,955
Net cash used for noncapital financing activities	(3,339,602)	-	(3,339,602)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(448,725)	(477,919)	(926,644)
Proceeds from disposition of capital assets	-	477,919	477,919
Net cash (used) for capital and related financing activities	(448,725)	-	(448,725)
Cash flows from investing activities:			
Interest on interest-bearing deposits	23,644	-	23,644
Return of investment	72,857	-	72,857
Net cash provided for investing activities	96,501	-	96,501
Net (decrease) in cash and cash equivalents	(964,931)	-	(964,931)
Cash and cash equivalents at beginning of year	5,859,713	10	5,859,723
Cash and cash equivalents at end of year	\$ 4,894,782	\$ 10	\$ 4,894,792

The accompanying notes are an integral part of this financial statement.

STATEMENT I

	Business Type Activities - <u>Enterprise Funds</u>		
	LCDBG -		
	Utility	Sewer	
	Fund	Improvement	Total
	Fund	Fund	
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,490,900	\$ -	\$ 1,490,900
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,234,018	-	1,234,018
Bad debt	89,224	-	89,224
Changes in assets and liabilities -			
Decrease (increase) in accounts receivable	(359,741)	-	(359,741)
Decrease (increase) in accounts receivable - other	17,157	-	17,157
Decrease (increase) in inventory	(31,812)	-	(31,812)
Decrease (increase) prepaid insurance	1,926	-	1,926
Increase (decrease) in accounts payable	(9,173)	-	(9,173)
Increase (decrease) in accrued compensated absences	38,331	-	38,331
Increase (decrease) in municipal retirement payable	5,624	-	5,624
Increase (decrease) in net OPEB obligation	<u>250,441</u>	<u>-</u>	<u>250,441</u>
Net cash provided (used) by operating activities	<u>\$ 2,726,895</u>	<u>\$ -</u>	<u>\$ 2,726,895</u>

STATEMENT J

CITY OF MINDEN, LOUISIANA
Statement of Fiduciary Net Assets
September 30, 2009

	Pension Trust Funds (3/31/2009)	Agency Fund - Police Bond Fund
ASSETS		
Cash	\$ 139,190	\$ 20,458
Receivables:		
A/R - net of allowance	-	19,191
Insurance company receivable	23,487	-
Refunds receivable	<u>5,536</u>	<u>-</u>
Total assets	<u>\$ 168,213</u>	<u>\$ 39,649</u>
LIABILITIES		
Claims payable	\$ 89,148	\$ -
Claims incurred but not reported	187,975	-
Due to the general fund	-	5,810
Due to other governmental units	<u>-</u>	<u>33,839</u>
Total liabilities	<u>277,123</u>	<u>39,649</u>
NET ASSETS	<u>\$ (108,910)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

STATEMENT K

CITY OF MINDEN, LOUISIANA
Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
March 31, 2009

NET INCREASE IN BENEFIT OBLIGATIONS

Increase (decrease) during the year attributable to:

Claims payable	\$ 50,131
Claims incurred but not reported	<u>(144,660)</u>

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS (94,529)

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS

Additions to plan assets attributable to:

Sponsor contributions	1,159,108
Participant contributions	343,438
Retiree contributions	84,441
Insurance company reimbursements	200,347
Interest income	<u>709</u>
TOTAL ADDITIONS	<u>1,788,043</u>

Deductions from plan assets attributable to:

Benefits paid to participants	1,371,526
Payments for insurance premiums	436,327
Administrative expenses	<u>34,476</u>

TOTAL DEDUCTIONS 1,842,329

NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE
FOR BENEFITS (54,286)

INCREASE (DECREASE) IN EXCESS OF NET ASSETS
AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS 40,243

BEGINNING OF YEAR (149,153)

END OF YEAR \$ (108,910)

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

INTRODUCTION

The City of Minden, Louisiana (the City) was incorporated in 1928, under the provisions of Act No. 226 of the 1928 Special Acts of Louisiana Legislature. The City is located in the Parish of Webster, being in the northwest corner of the State of Louisiana. Elected officials of the City of Minden are a mayor, five (5) aldermen, and a chief of police who are elected every four years. The affairs of the City are conducted and managed by the mayor and board of aldermen, referred to as "The Council." The City provides a full range of municipal services as authorized by its charter. These include public safety (police and fire), street, water, electric, sewerage, sanitation and health, zoning and general administrative services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The financial reporting entity consists of (a) the primary government (City), (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the City is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

According to Governmental Accounting Standards Board (GASB) Statement No. 14, the criteria for determining which component units should be included in the reporting entity includes:

1. Appointing a voting majority of an organization's body, and:
 - a. The ability of the City to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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Based on the previous criteria, the City has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Method of inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
<i>Included within the reporting entity:</i>			
Minden Historic Downtown Development District Commission	Blended	September 30	1 and 3
<i>Not included within the reporting entity:</i>			
City Court of Minden		December 31	2 and 3
Minden Ward Marshal		December 31	2 and 3

The City has chosen not to include the following component units in the basic financial statements: City Court of Minden and Minden Ward Marshal. Separate financial statements for each of these component units can be obtained by contacting the component unit.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (City) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units except for the inclusion of the component units as discussed above.

Other related organizations

The Minden Housing Authority - The Authority provides housing to certain qualified residents and is funded by the U.S. Government grants and rental charges. The City is not responsible for financing deficits nor entitled to surpluses. The City does not significantly influence operational or fiscal matters of the Authority. The Minden Housing Authority is fiscally independent and there is no financial benefit or burden relationship with the City. Therefore, it is not included in the City's financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and

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other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Although most expenditures are recorded when a liability is incurred, as under accrual accounting, the measurement focus of a governmental fund significantly affects what items are to be considered expenditures in the governmental fund. Expenditures, and the related liabilities, are accrued when they are expected to be paid out of revenues recognized during the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources, of the general government, except those required to be accounted for in another fund.

The Sales Tax Fund accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective August 1, 1967.

The Sales Tax Fund – Sewerage System accounts for the receipt and use of the municipality's one percent (1%)

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sales and use tax under the provisions of the sales and use tax ordinance effective December 1, 1984. By special election held April 15, 2000, the City rededicated and renewed the levy of this one percent (1%) sales and use tax.

The municipality reports the following major proprietary funds:

The enterprise fund is used to account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The LCDBG -- Sewer Improvement Fund is used to account for Louisiana Community Development Block Grant proceeds to be used for sewer improvements.

Additionally, the government reports the following fund types:

Agency Fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Pension (and other employee benefit) Trust Fund is used to report resources and activities when the City is acting as a trustee for individuals. The Pension Trust Fund is used to account for medical, dental, vision, life and accidental death benefits covering substantially all employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Eliminations of these charges would distort direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are from charges for electrical, water and sewerage services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statements of cash flows, cash and cash equivalents include cash, demand deposits, and certificates of deposit. Cash and cash equivalents are stated at cost.

Under state law, the City may invest in United States bonds, treasury notes, and certificates. In addition, the City may invest in bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U.S and also collateralized mortgage obligations, which have not been stripped into interest only and principal only obligations. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, ad valorem

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taxes, franchise taxes, police fines, and grants. Business-type activities report utilities as their major receivable. An allowance for uncollectible receivables is maintained, however, if amounts become uncollectible, in the opinion of management, they are charged to operations at that time.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, grants and other intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned and only if paid within 30 days since they would be considered both measurable and available.

F. Inventories and Prepaid Items

Inventory items are valued at cost using the first-in, first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

Inventories in each fund are generally composed of the following items:

General Fund - Garbage bags, gasoline

Enterprise Fund - Electric, water and sewer repair and maintenance items

G. Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to utility meter deposits

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets,

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other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated <u>Lives</u>
Roads, bridges, and infrastructure	25-50 years
Land improvements	10-30 years
Buildings and building improvements	10-40 years
Furniture and fixtures	5-15 years
Vehicles	5-10 years
Equipment	5-15 years

GASBS No. 34 required the City to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended September 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. During the fiscal year ended September 30, 2009, infrastructure being reported on includes bridges owned by the City during the current year. Of the remaining infrastructure, neither the historical cost nor related depreciation has historically been reported in the financial statements. The City has elected to report its system of streets under the modified approach.

I. Compensated Absences

The City's policy regarding vacation time permits full-time employees to accumulate earned but unused vacation leave. The only provision for vested benefits is that municipal employees, with the exception of employees of the police and fire department who are covered by Civil Service requirements, may carry forward no more than the maximum accruable amount for any vacation year. All employees do not have the option of foregoing vacation and being paid in lieu thereof. The entire accrued vacation liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of this debt is the amount that is normally expected to be paid using expendable available financial resources. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The City's policy regarding sick time permits full-time employees to accrue sick leave at the rate of eighty (80) hours per year, effective on the first day of full-time employment. Sick time may be carried over from year to year. Upon retirement, the employee will be reimbursed for fifty (50) percent of their accrued sick leave at their regular hourly rate of pay. Total reimbursement cannot exceed 500 hours. All sick leave hours used in the two years prior to retirement date will be deducted from the fifty (50) percent accrual prior to reimbursement. There is no provision for reimbursement of accrued sick leave for termination other than retirement. The liability for sick leave accrual is recorded as long-term debt in the government-wide financial statements. An estimate of this accrual is based on historical trends.

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J. Long-Term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, accrued compensated absences, and net OPEB obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by parties for use for a specific purpose.

In government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – consist of net assets with constraints place on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do no meet the definition of “restricted” or “invested in capital assets, net of related debt.”

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported

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amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION The City follows these procedures in establishing the budgetary data reflected in these financial statements:

- a) The City Clerk prepares a proposed budget and submits same to the Mayor and the Council no later than fifteen days prior to the beginning of each fiscal year.
- b) The public is notified that the proposed budget is available for public inspection. At that time, a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding or failing to meet amounts estimated require the approval of the Council.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts, as originally adopted, are amended from time to time by the Council.

DEFICITS The Fiduciary Fund - Pension Trust Fund had a deficit of \$108,910, in retained earnings as of March 31, 2009. The deficit was due to the excess of expenditures recognized for claims incurred as of the end of the year over actual funds transferred to the Pension Trust Fund. The deficit will be eliminated through future transfers from various funds.

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3. CASH AND CASH EQUIVALENTS

At September 30, 2009, the carrying amount of the City's deposits, excluding its fiduciary fund was \$11,867,496, as follows:

Petty cash funds	\$ 2,725
Demand deposits	168,184
Interest-bearing deposits	<u>11,696,587</u>
Total	\$ <u>11,867,496</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2009, the City's bank balances, including its fiduciary funds and certificates of deposits, totaled \$15,539,862. These deposits are secured from risk by \$1,899,962 of federal deposit insurance and \$17,689,993 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

4. INVESTMENTS

The City of Minden's investments are reported at fair value, which is determined using selected bases in accordance with GASB Statement No. 31. Short-term investments are reported at cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

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As of September 30, 2009, the City's reporting entity had the following investments:

<u>Types of investments</u>	<u>Credit rating</u>	<u>Total Fair Value/ Carrying Amount</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Weighted Average Months to Maturity</u>
Money market funds - LAMP	AAA/m	\$669,096	225,952	443,144	
UBS Cash Fund, Inc.		207	-	207	
U.S. Government Sponsored Enterprises:					
Federal National Mortgage Association		799,050	99,950	699,100	10.20
Federal Home Loan Mortgage Corp.		699,885	199,960	499,925	8.22
Federal Home Loan Bank		2,830,844	726,969	2,103,875	15.34
Federal Farm Credit Bank.		200,094	-	200,094	30.52
U.S. Agency Collateralized					
Mortgage Obligations		3,849	-	3,849	^a
Certificates of deposit		<u>3,429,989</u>	<u>1,957,881</u>	<u>1,472,108</u>	
Total investments		<u>\$ 8,633,014</u>	<u>3,210,712</u>	<u>5,422,302</u>	

^a No specific maturity date available due to the nature of this type of investment. The City plans to hold remaining security until maturity. These securities were invested in before the adoption of policy to limit investments to securities which mature within 24 months.

City's Investment policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Louisiana Revised Statutes and the City's investment policy govern the procedures to be followed and the types of allowable securities to be purchased by the municipality. The City of Minden is authorized to invest in the following types of investments:

- 1) Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government.
- 2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U.S. and,
- 3) Collateralized mortgage obligations, which have not been stripped into interest only or principal only obligations.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City policy is to invest in securities with a stated maturity that does not exceed 24 months. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Investments held in

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U.S. government or investments guaranteed by the U.S. government are excluded from disclosure of concentration of credit risk.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. City investments are Category 1 investments, categorized as insured or registered, or securities held by the City or its agent in the City's name.

5. ACCOUNTS RECEIVABLE

Enterprise Receivables and Uncollectible Accounts

Accounts receivable - utilities customers are analyzed periodically and accounts considered to be uncollectible are charged off. For the year ended September 30, 2009, \$89,224 of accounts receivable were charged off. Past due accounts totaled \$346,355 at September 30, 2009.

The individual customer consumption meters are not all read on the same day of the month. Meters are generally read between the first (1) and the twenty-first (21) day of each month. At the end of any particular month, individual customers will have from a week to a total month's consumption that they will not be billed for until the following month. It is estimated that at the end of any particular month there is, in the aggregate, approximately the equivalent of fifteen (15) days' consumption that is unbilled to utility customers.

Accounts receivable - utilities customers at September 30, 2009, consisted of:

Accounts receivable – utilities	\$ 1,873,728
Allowance for D/A	<u>(92,754)</u>
	1,780,974
Unbilled receivables	<u>689,320</u>
Accounts receivable – utilities (net)	\$ <u>2,470,294</u>

Governmental activities receivables

Accounts receivables of the governmental activities consist of sales tax (73%), franchise taxes (13%), other (4%), police fines/seizures (8%), and interest (2%). Receivables detail at September 30, 2009 for governmental activities are as follows:

Accounts receivable	\$ 664,753
Allowance for doubtful accounts	<u>(67,348)</u>
Net accounts receivable	\$ <u>597,405</u>

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6. ADVALOREM TAXES

Advalorem taxes attach as an enforceable lien on the valuation of property as of January 1 of each year. The City of Minden bills and collects its property taxes using the assessed values determined by the tax assessor of Webster Parish.

The tax levy for 2008 was 5.83 mills of the assessed property valuation on tax rolls as of January 1. This tax became due on January 1, 2009 and delinquent on February 1, 2009.

The tax was dedicated as follows:

General corporate purposes	5.83 mills
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For the year ended September 30, 2009, taxes of \$397,448 were levied on property with assessed valuations totaling \$68,172,820.

Additionally, a tax of 2.22 mills on properties located within the established Minden Downtown Development District was approved by voters. Such tax was dedicated for use by the Minden Main Street Program. For the year ended September 30, 2009, taxes of \$27,136 were levied on property with assessed valuations totaling \$12,223,340.

7. SALES AND USE TAX OPERATIONS

- A 1% sales and use tax - The City of Minden was authorized to levy and collect a one per cent (1%) sales and use tax by a special election held May 23, 1967.

The revenues derived therefrom were authorized to be used for "the purpose of opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges; constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, water-works, sewers and sewerage disposal works, garbage collection and waste disposal facilities, police department stations and equipment, public buildings and/or fire department stations and equipment, including fire engines, public parks and recreational facilities, airport facilities, and parking facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, building, improvements and facilities, and such tax to be subject to funding into bonds by the City in the manner authorized."

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For the year ended September 30, 2009, Sales Tax operating transfers (of "surplus") to other funds which were used for purposes for which the imposition of the tax was authorized were as follows:

	General <u>Fund</u>	Capital Project - <u>City Hall</u>
Transfers to	\$2,291,771	\$1,498,853

- B. 1% sales and use tax - sewerage improvements - The City of Minden was authorized to levy and collect a one per cent (1%) sales and use tax by a special election held September 29, 1984.

The revenues derived therefrom were authorized to be used for "the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal facilities and fund the proceeds of the Tax into bonds to be issued in series from time to time for the purpose of constructing, acquiring and improving sewers and sewage disposal facilities and the Council shall (i) annually budget the amount of said net proceeds of the Tax required to pay principal and interest and reserve requirements on all bonds payable from the Tax and the amount required for extending, improving, operating and maintaining sewers and sewage disposal facilities and (ii) use the excess over said requirements to pay said bonds in full prior to their stated maturity and when provisions shall have been made for the payment of all of said bonds in full the authority to levy the Tax shall terminate."

By a special election held April 15, 2000, the City rededicated and renewed the levy of a one percent (1%) sales and use tax, which was originally authorized at an election held in the City on September 29, 1984.

The revenues derived therefrom were rededicated to be used for "the purpose of acquiring, constructing, improving, maintaining, equipping and operating sewerage, sewage disposal facilities and recreational facilities, including the acquisition of sites therefore, and authority to fund the sales tax into bonds by the City in the manner authorized."

For the year ended September 30, 2009, Sales tax-sewerage improvements operating transfers to other funds which were used for purposes for which the imposition of the tax was authorized were as follows:

	Debt <u>Service</u>	General <u>Fund</u>	Utility <u>Fund</u>
Transfers to	\$ 367,142	\$1,154,294	\$813,952

Beginning July 1992, the City entered into an agreement with the Webster Parish Centralized Sales Tax Collection Agency to collect sales tax. The Agency collects the taxes from vendors, and then remits to the City, after deducting an administrative fee. The administrative fee of 1.4% was assessed during the fiscal year.

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8. RESTRICTED ASSETS

Restricted assets of the City of Minden at September 30, 2009 were as follows:

Customers' Deposits	
Bank deposit accounts	\$ 53,553
Investments (net of market adjustment)	<u>894,647</u>
Total restricted assets	<u>\$ 948,200</u>

9. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended September 30, 2009, for the primary government is as follows:

	Balance <u>October 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>September 30, 2009</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 799,547	-	-	799,547
Construction in progress	<u>389,055</u>	<u>2,074,963</u>	-	<u>2,464,018</u>
Total capital assets, not being depreciated	<u>1,188,602</u>	<u>2,074,963</u>	-	<u>3,263,565</u>
Capital assets being depreciated				
Buildings	12,121,885	298,539	-	12,420,424
Land improvements other than buildings	2,008,327	91,092	-	2,099,419
Equipment	4,718,411	692,488	20,512	5,390,387
Infrastructure	<u>5,035,393</u>	-	-	<u>5,035,393</u>
Total capital assets being depreciated	<u>23,884,016</u>	<u>1,082,119</u>	<u>20,512</u>	<u>24,945,623</u>
Less accumulated depreciation for:				
Buildings	3,379,061	304,312	-	3,683,373
Land improvements other than buildings	326,023	60,185	-	386,208
Equipment	3,250,341	310,379	2,051	3,558,669
Infrastructure	<u>1,924,314</u>	<u>121,773</u>	-	<u>2,046,087</u>
Total accumulated depreciation	<u>8,879,739</u>	<u>796,649</u>	<u>2,051</u>	<u>9,674,337</u>
Total capital assets, being depreciated, net	<u>15,004,277</u>	<u>285,470</u>	<u>18,461</u>	<u>15,271,286</u>
Governmental activities capital assets, net	<u>\$ 16,192,879</u>	<u>2,360,433</u>	<u>18,461</u>	<u>18,534,851</u>

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

Business-type activities:

Capital assets, not being depreciated

Land and improvements	\$ 332,065	-	-	332,065
Construction in progress	<u>256,582</u>	<u>729,830</u>	<u>538,058</u>	<u>448,354</u>
Total capital assets, not being depreciated	<u>588,647</u>	<u>729,830</u>	<u>538,058</u>	<u>780,419</u>

Capital assets being depreciated

Buildings	16,618,665	-	-	16,618,665
Land improvements other than buildings	27,480,521	538,058	-	28,018,579
Equipment	<u>8,136,200</u>	<u>156,900</u>	<u>15,940</u>	<u>8,277,160</u>
Total capital assets being depreciated	<u>52,235,386</u>	<u>694,958</u>	<u>15,940</u>	<u>52,914,404</u>

Less accumulated depreciation for:

Buildings	9,602,259	358,791	-	9,961,050
Land improvements other than buildings	13,848,618	642,300	-	14,490,918
Equipment	<u>5,776,839</u>	<u>232,926</u>	<u>10,738</u>	<u>5,999,027</u>
Total accumulated depreciation	<u>29,227,716</u>	<u>1,234,017</u>	<u>10,738</u>	<u>30,450,995</u>
Total capital assets, being depreciated, net	<u>23,007,670</u>	<u>(539,059)</u>	<u>5,202</u>	<u>22,463,409</u>

Business-type capital assets, net	\$ <u>23,596,317</u>	<u>190,771</u>	<u>543,260</u>	<u>23,243,828</u>
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Depreciation expense was charged as direct expense of the primary government as follows:

Governmental activities:

General government	\$ 98,743
Public safety	144,429
Highway and streets	147,510
Sanitation and health	3,415
Parks and recreation	337,994
Public works	<u>64,558</u>
Total	\$ <u>796,649</u>

Business-type activities:

Water	\$ 315,404
Sewer	400,010
Electric	511,265
Other	<u>7,338</u>
Total	\$ <u>1,234,017</u>

10. RETIREMENT SYSTEMS

Substantially all employees of the City of Minden, Louisiana, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All regular employees, other than firemen and policemen, of the City of Minden, Louisiana, are members of Plan A.

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three (3) percent of their final-average salary for each year of creditable service. Elected officials receive three and one-half (3 ½) percent. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City of Minden, Louisiana, is required to contribute at an actuarially determined rate. For the fiscal year ended 9/30/09, this rate was 13.50 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Minden, Louisiana, are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior fiscal year. The City of Minden, Louisiana's contributions to the System under Plan A for the years ending September 30, 2009, 2008 and 2007, were \$440,454, \$407,298, and \$450,219, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Minden, Louisiana, is required to contribute at an actuarially determined rate. From July 1, 2008 through June 30, 2009 the rate was 9.5 percent of annual covered payroll. Effective July 1, 2009, the rate increased to 11 percent. The contribution requirements of plan members and the City of Minden, Louisiana, are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior fiscal year. The City of Minden, Louisiana's contribution for the years ended September 30, 2009, 2008 and 2007, were \$89,826, \$107,042, and \$119,198, respectively, equal to the required contributions for each year.

C. Firefighters' Retirement System of Louisiana

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the City of Minden, Louisiana is required to contribute at an actuarially determined rate. From July 1, 2008 through June 30, 2009, the rate was 12.5 percent of annual covered payroll. Effective July 1, 2009, the rate increased to 14 percent. The contribution requirements of plan members and the City of Minden, Louisiana, are established and may be amended by state statute. As proved by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Minden, Louisiana's contributions for the years ended September 30, 2009, 2008 and 2007 were \$70,614, \$68,468, and \$70,492, respectively, equal to the

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

required contributions for each year.

11. CAPITAL LEASES

The City records items under capital leases as an asset and an obligation in the accompanying financial statements. The City had one capital lease of a computer system for a total cost of \$36,245. The last payment of this lease was made during the fiscal year ended September 30, 2009. Therefore, there are no future minimum lease payments under capital leases or present value of the net minimum lease payments as of September 30, 2009.

The municipality has operating leases and rental expense as follows:

	Governmental <u>Activities</u>	Business-type <u>activities</u>
Equipment:		
Cannon 5070 Copier - \$283/month for 48 months	\$ 2,265	\$ 1,132
Ricoh 240W Copier - \$386/month for 24 months	-	4,635
Minolta Di3510F - \$286.50/month for 60 months	3,152	-
Minolta BizHub C353 - \$293.90/month for 60 months	3,527	-
Pitney Bowes Postage Machine - \$257/month for 60 months	2,056	1,028
Canon MPC 3000 - \$213.64/month for 48 months	<u>2,564</u>	<u>-</u>
Total rental expense	<u>\$ 13,564</u>	<u>\$ 6,795</u>

The minimum annual commitments under noncancelable operating leases are as follows:

Fiscal year:	<u>Equipment</u>
2010	\$ 10,873
2011	6,861
2012	4,381
2013	<u>2,939</u>
Total	<u>\$ 25,054</u>

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

12. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt for the year ended September 30, 2009:

<u>Type of debt</u>	<u>Balance Oct. 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2009</u>	<u>Amount due within one year</u>
Governmental activities:					
General obligation	\$ 3,460,000	-	(195,000)	\$ 3,265,000	\$ 200,000
Compensated absences	213,557	-	(132)	213,425	-
Claims payable	267,753	10,615	-	278,368	-
Net OPEB obligation	<u>-</u>	<u>604,839</u>	<u>-</u>	<u>604,839</u>	<u>-</u>
Total governmental debt	\$ <u>3,941,310</u>	<u>615,454</u>	<u>(195,132)</u>	\$ <u>4,361,632</u>	\$ <u>200,000</u>
Business-type activities:					
Compensated absences	\$ 124,655	32,671	-	\$ 157,326	\$ -
Net OPEB obligation	<u>-</u>	<u>250,441</u>	<u>-</u>	<u>250,441</u>	<u>-</u>
Total business-type debt	\$ <u>124,655</u>	<u>283,112</u>	<u>-</u>	\$ <u>407,767</u>	\$ <u>-</u>

Bonds payable at September 30, 2009, are comprised of the following individual issue:

	<u>Principal Outstanding</u>	<u>Interest to Maturity</u>
\$4,000,000 Sales Tax Bonds, Series 2001, dated June 1, 2001: due in annual installments of \$5,000 - \$355,000 through January 1, 2021; interest at .10%-5.2%; secured by pledge of the City's 1% sales and use tax designated for sewerage system improvements and recreation	\$ 3,265,000	1,154,721

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

The annual requirements to amortize all debt outstanding as of September 30, 2009, including interest payments of \$1,154,721, are as follows:

Year ending September 30	General Obligation		Total
	Principal	Interest	
2010	\$ 200,000	163,205	363,205
2011	215,000	153,205	368,205
2012	225,000	138,155	363,155
2013	235,000	128,255	363,255
2014	250,000	117,680	367,680
2015-2019	1,450,000	400,048	1,850,048
2020-2021	<u>690,000</u>	<u>54,173</u>	<u>744,173</u>
	<u>\$ 3,265,000</u>	<u>1,154,721</u>	<u>4,419,721</u>

At September 30, 2009, \$192,804 was available in the Debt Service Funds to service the general obligation bonds.

In accordance with Louisiana Revised Statutes, the City is legally restricted in the amount of long-term bonded debt that may be issued. At September 30, 2009, the statutory limit was \$6,817,282. As of September 30, 2009, the City had no bonds secured by advalorem taxes.

Total interest expense paid on long-term debt as of September 30, 2009 was \$167,593.

13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers during the year ended September 30, 2009, were as follows:

Transfers out	Operating Transfers In			Total
	General Fund	Enterprise Fund	Non-Major Governmental	
General Fund	\$ -	-	535,000	535,000
Sales Tax Fund	2,291,771	-	1,498,853	3,790,624
Sales Tax Fund -				
Sewerage System	1,154,294	813,952	367,149	2,335,395
LCDBG	-	490,540	-	490,540
Enterprise Fund	<u>3,137,494</u>	<u>-</u>	<u>1,000,000</u>	<u>4,137,494</u>
Total	<u>\$ 6,583,559</u>	<u>1,304,492</u>	<u>3,401,002</u>	<u>11,289,053</u>

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

Transfers are primarily used to move funds from:

Sales Tax Fund – Sewerage System to cover debt service attributable to sewerage bonds and recreation bonds, to cover costs of recreation activities within the General Fund, and to cover costs of the sewer system within the Utility Fund.

The Enterprise Fund and Sales Tax Fund make transfers to supplement costs within the General Fund.

General Fund makes transfers to cover costs of street construction within Capital Improvements – Street Fund.

14. RESERVED RETAINED EARNINGS/FUND BALANCES

Fund Equity Reserves and Restrictions:

Debt Service Fund:

Sales Tax Bonds, Series 2001 Sinking Fund:

Reserved for debt service	<u>\$ 192,804</u>
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Enterprise Fund:

Restricted for meter deposits:

Cash and investments	\$948,200
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Less: meter deposit liability	<u>(570,192)</u>
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Total enterprise fund restricted for meter deposits	<u>\$ 378,008</u>
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Restricted Net Assets – Governmental Activities

The following table shows the net assets restricted for other purposes as shown on the Statement of Net Assets:

<u>Fund</u>	<u>Restricted by</u>	<u>Amount</u>
Sales Tax Sewerage Fund	Local ordinance/election	\$ 2,529,708
Sales Tax, Series 2002 Refunding	Local ordinance/election	533,461
Drug Task Force	Statutory requirements	<u>20,669</u>
Total restricted net assets – governmental activities		<u>\$ 3,083,838</u>

15. CONTRACTUAL SERVICE AGREEMENT – SANITATION SERVICES

Effective March 1, 2005, the City entered into a seven-year agreement with BFI/Allied Waste Industries, Inc., a private company, to provide sanitation services to the City. These services include residential garbage and recyclable item pick-up and the disposal of such waste, with fees based on the number of pick-ups per week and the type of

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

collection (curbside or backyard). The City then charges a monthly fee for sanitation services to individual customers on their utilities bills.

16. PENDING LITIGATION

The City of Minden filed suit against Thomas G. Ray, President/Owner of Sportco of Minden, Inc., for repayment of a loan made to Sportco. The loan was made through a grant agreement with the State of Louisiana. If successful, the \$720,000 balance paid will be remitted to the State of Louisiana to satisfy the outstanding loan balance. The City of Minden will not realize a profit from this action. As of September 30, 2004, the City was granted a favorable judgment in the amount of \$631,038. The case is currently under appeal.

In Marvin Garrett, Etal vs. City, a suit was filed against the City arising from the City transferring two employees to the fire department at their longevity pay rate. If the City is found liable, it could incur a significant loss which would not be covered by insurance, an estimate of the obligation has been accrued in the government-wide financial statements.

In Anthony Morris Etal vs. City, a suit was filed against the City arising from an automobile accident where a City of Minden police officer hit and killed a Minden citizen. If the City is found liable it could incur a significant loss, however expects that it would be covered by insurance. At this time, no information is available to determine the likelihood of loss or an estimate of liability.

There are several other pending lawsuits in which the City is involved. The City Attorney estimates that the potential claims against the City, not covered by insurance resulting from litigation not mentioned above, would not materially affect the financial statements of the City.

Effective April 1, 1998, the City reinstated its general liability coverage. The City will maintain the reserve fund established in prior years for self-insurance. The reserve will be used to pay claims for amounts less than the deductible allowed under the City's general liability coverage. At September 30, 2009, \$380,659 has been reserved in the Enterprise Fund-Utilities Fund for this purpose.

17. POST EMPLOYMENT BENEFITS

Effective with the fiscal year ended September 30, 2009, the City of Minden implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting for Post Employment Benefits Other than Pensions (GASB 45).

Plan description – The City provides post employment benefits for eligible participants enrolled in the City of Minden health insurance program through the City of Minden, Employee Benefit Plan & Trust. This plan is a single employer defined contribution plan. The plan provides medical, dental, vision, life and accidental death benefits. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The benefits are provided in the form of:

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

- An implicit rate subsidy where pre 65 retirees receive health insurance coverage by paying a combined retiree/active rate
- An explicit subsidy where the city contributes towards the retiree premium

Funding policy – Retiree contributions are based on the total years that the retiree has serviced in the City. Retirees with less than 25 years of service receive a subsidy equal to 50% of the full premium. Retirees with more than 25 years of service receive a subsidy equal to 60% of the full premium. The premiums, which include medical, dental, life and vision, are as of 10/1/2008 and are provided in the table below:

Non Medicare Premiums

<u>Rate Tier</u>	<u>Rates</u>
Retiree only	\$ 489.11
Retiree & child	\$ 1,041.81
Retiree & spouse	\$ 1,096.50
Retiree + Family	\$ 1,460.52

Medicare Premiums

Retiree only	\$ 398.18
Retiree & spouse	\$ 786.65
Retiree & spouse (one w/Medicare)	\$ 941.60

The plan is currently financed on a “pay-as-you-go” basis. For the year ended September 30, 2009, the City contributed \$386,719 for 27 retirees.

Annual other post employment benefit cost and liability – The City’s annual required contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which is being implemented for the year ended September 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan:

Annual required contribution	\$ 1,242,000
Less: current year contributions	(386,719)
Increase in net OPEB obligation	855,281
Net OPEB obligation – beginning of year	-
Net OPEB obligation – end of year	\$ <u>855,281</u>

Utilizing the “pay-as-you-go” method, the City contributed 31% of the annual post employment benefits cost during the fiscal year ended September 30, 2009.

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

Funding status and funding progress – The **actuarial accrued liability** is the present value of future benefits which is attributable to past service. The actuarial accrued liability of the City's post employment benefit plan as of October 1, 2008 is \$14,668,000. The **unfunded actuarial accrued liability** is the difference between the actuarial accrued liability and the actuarial value of plan assets. Since the plan has no assets, the unfunded actuarial accrued liability for the City's post employment benefit plan is the same as the actuarial accrued liability of \$14,668,000.

The covered payroll (annual payroll of active employees covered by the plan) was \$5,328,372, and the ratio of the UAAL to the covered payroll was 275%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City's actuarial valuation as of October 1, 2008 was calculated using the projected unit credit method with benefits attributed from the date of hire to expected retirement age. The actuarial assumption included a 4.5% discount rate. Other critical assumptions used in the actuarial valuation are the health care cost trend rate and participation assumptions. The valuation uses a health care cost trend rate assumption of 11% in the year October 1, 2008 to September 30, 2009 grading down by 0.5% each year until an ultimate health care cost trend rate is reached in 2021 of 5%.

The participation assumption is the assumed percentage of future retirees that participate and enroll in the health plan. The participation assumption used in this valuation is 75%.

The unfunded actuarial accrued liability of \$14,668,000 is amortized over the maximum allowable period of 30 years on an open basis. It is calculated assuming a level percentage of projected payroll.

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2009

18. ON BEHALF PAYMENTS

During the fiscal year ended September 30, 2009, qualified city employees of the City Police Department, City Fire Department, and the City Marshal's Office received supplemental pay from the State of Louisiana. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$202,218 for the year ended September 30, 2009, and the related expenditures are as follows:

General Government -	
Ward Marshal	\$ <u>5,325</u>
Public Safety -	
Police	\$ 122,343
Fire	<u>74,550</u>
Total public safety	\$ <u>202,218</u>

19. CONSTRUCTION COMMITMENTS

During 2009, the City of Minden began a project to renovate City Hall and the Civic Center.

On July 6, 2009, the City of Minden awarded a bid of \$2,589,000, for the construction of additions to City Hall as well as renovations to the police station. As of September 30, 2009, construction and engineering costs of \$284,286 have been incurred for this project.

The Capital Improvements – City Hall Fund is used to account for the construction.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Budgetary Comparison Schedules:

General Fund

Sales Tax Fund

Sales Tax Fund – Sewerage System

Modified Approach for Reporting Infrastructure

Schedule of Funding Progress for Other Post Employment Benefit Plan

CITY OF MINDEN, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Taxes - ad valorem	\$ 390,000	\$ 390,000	\$ 427,874	\$ 37,874
Licenses - occupational	450,000	450,000	556,862	106,862
Fees and rentals	489,410	489,410	635,776	146,366
Charges for services	950,000	950,000	996,589	46,589
Fines and forfeitures	92,500	92,500	106,428	13,928
Intergovernmental	1,157,689	1,361,307	1,290,694	(70,613)
Interest	121,800	121,800	24,996	(96,804)
Miscellaneous	26,100	26,100	27,957	1,857
Total revenues	<u>3,677,499</u>	<u>3,881,117</u>	<u>4,067,176</u>	<u>186,059</u>
Expenditures				
General Government	2,425,916	2,431,241	2,354,625	76,616
Public Safety	3,244,176	3,807,469	3,747,117	60,352
Highway and streets	2,620,662	2,620,662	2,260,978	359,684
Sanitation and health	1,011,539	1,011,539	1,033,901	(22,362)
Parks and recreation	1,912,616	1,912,616	1,944,248	(31,632)
Public works	347,056	347,056	497,104	(150,048)
Total expenditures	<u>11,561,965</u>	<u>12,130,583</u>	<u>11,837,973</u>	<u>292,610</u>
Excess (deficiency) of revenues over (under) expenditures	(7,884,466)	(8,249,466)	(7,770,797)	478,669
Other Financing Sources (Uses)				
Insurance proceeds	-	150,000	160,543	10,543
Operating transfers in	6,343,536	6,558,536	6,604,574	46,038
Operating transfers out	(535,000)	(535,000)	(535,000)	-
Total other financing sources (uses)	<u>5,808,536</u>	<u>6,173,536</u>	<u>6,230,117</u>	<u>56,581</u>
Net change in fund balance	(2,075,930)	(2,075,930)	(1,540,680)	535,250
Fund balance at beginning of year	<u>2,839,352</u>	<u>2,839,352</u>	<u>2,839,352</u>	<u>-</u>
Fund balance at end of year	<u>\$ 763,422</u>	<u>\$ 763,422</u>	<u>\$ 1,298,672</u>	<u>\$ 535,250</u>

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual

Special Revenue Fund - Sales Tax Fund

For the Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Budget	GAAP	Final Budget
			Basis	Positive
				(Negative)
Revenues:				
Taxes - sales	\$ 2,350,000	\$ 2,700,000	\$ 2,823,638	\$ 123,638
Interest	50,000	50,000	57,971	7,971
Total revenues	<u>2,400,000</u>	<u>2,750,000</u>	<u>2,881,609</u>	<u>131,609</u>
Expenditures:				
General government -				
Salaries	84,364	84,364	62,847	21,517
Insurance expense	21,445	21,445	12,452	8,993
Retirement expense	11,389	11,389	6,157	5,232
Office and computer supplies	128,500	128,500	100,751	27,749
Collection expense	42,480	42,480	42,716	(236)
Professional fees	8,000	8,000	12,493	(4,493)
Miscellaneous	16,051	16,051	7,861	8,190
Capital expenditures	11,000	11,000	37,700	(26,700)
Total expenditures	<u>323,229</u>	<u>323,229</u>	<u>282,977</u>	<u>40,252</u>
Excess of revenues over expenditures	<u>2,076,771</u>	<u>2,426,771</u>	<u>2,598,632</u>	<u>171,861</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>(2,076,771)</u>	<u>(5,291,771)</u>	<u>(3,790,624)</u>	<u>1,501,147</u>
Total other financing (uses)	<u>(2,076,771)</u>	<u>(5,291,771)</u>	<u>(3,790,624)</u>	<u>1,501,147</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	-	(2,865,000)	(1,191,992)	1,673,008
Fund balance at beginning of year	<u>4,510,632</u>	<u>4,510,632</u>	<u>4,510,632</u>	-
Fund balance at end of year	<u>\$ 4,510,632</u>	<u>\$ 1,645,632</u>	<u>\$ 3,318,640</u>	<u>\$ 1,673,008</u>

The accompanying notes are an integral part of this financial statement.

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual

Special Revenue Fund - Sales Tax Fund Sewerage System

For the Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Budget	GAAP	Final Budget
			Basis	Positive
				(Negative)
Revenues:				
Sales taxes	\$ 2,350,000	\$ 2,350,000	\$ 2,823,637	\$ 473,637
Interest	25,000	25,000	19,547	(5,453)
Total revenues	<u>2,375,000</u>	<u>2,375,000</u>	<u>2,843,184</u>	<u>468,184</u>
Expenditures:				
General government -				
Collection expense	42,480	42,480	42,715	(235)
Miscellaneous	125	125	-	125
Total expenditures	<u>42,605</u>	<u>42,605</u>	<u>42,715</u>	<u>(110)</u>
Excess of revenues over expenditures	<u>2,332,395</u>	<u>2,332,395</u>	<u>2,800,469</u>	<u>468,074</u>
Other financing (uses):				
Operating transfers out -				
Utility Fund	(813,952)	(813,952)	(813,952)	-
General Fund	(1,154,294)	(1,154,294)	(1,154,294)	-
Sinking Fund, Series 2001	(364,149)	(364,149)	(367,149)	(3,000)
Sinking Fund, Series 2002	-	-	-	-
Total other financing (uses)	<u>(2,332,395)</u>	<u>(2,332,395)</u>	<u>(2,335,395)</u>	<u>(3,000)</u>
Excess (deficiency) of revenues over				
(under) expenditures and other uses	-	-	465,074	465,074
Fund balance at beginning of year	<u>2,064,634</u>	<u>2,064,634</u>	<u>2,064,634</u>	-
Fund balance at end of year	<u>\$ 2,064,634</u>	<u>\$ 2,064,634</u>	<u>\$ 2,529,708</u>	<u>\$ 465,074</u>

The accompanying notes are an integral part of this financial statement.

SCHEDULE 2

CITY OF MINDEN, LOUISIANA
CONDITION RATING OF THE CITY'S STREET SYSTEM
For the year ended September 30, 2009

	<u>2007</u>	<u>2008</u>	<u>2009</u>
# of city streets	332	327	327
Percentage of streets in good or better condition	78.3%	80.1%	81.7%
Percentage of streets in substandard condition	21.7%	19.9%	18.3%
Comparison of needed to actual maintenance/preservation			
Needed as of 1/1 (date of assessment)	\$ 2,349,069	\$ 3,166,701	\$ 2,579,060
Actual cost of improvements incurred as of 9/30	\$ 790,954	\$ 764,448	\$ 188,083

The condition of road pavement is measured by the City using a pavement management system which rates the condition of the pavement surfaces using a 1-5 rating scale assessing the following distress factors:

- Base failure
- Surface wear
- Effects of outside construction contractors which may cause damage to streets during various projects
- Presence of potholes

The system is based on a condition rating system from 1 to 5. The rating scale used to classify roads in good or better condition (4-5), fair condition (3), and substandard condition (1-2). Roads which are rated 1 are considered highest priority for improvements. It is the City's policy to maintain at least 75% of its street system at a good or better condition level.

The city's condition assessment is determined each year as the pavement conditions are monitored throughout the year.

SCHEDULE 3

CITY OF MINDEN, LOUISIANA
Schedule of Funding Progress for Other Post Employment Benefit Plan
September 30, 2009

	(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)
Actuarial	Actuarial	Actuarial	Unfunded	Fund	Covered	UAAL as a
Valuation	Value of	Accrued	AAL (UAAL)	Ratio	Payroll	Percentage of
<u>Date</u>	<u>Assets</u>	<u>(AAL)</u>				<u>Covered</u>
						<u>Payroll</u>
10/1/2008	\$ -	\$14,668,000	\$14,668,000	0%	\$5,328,372	275.28%

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- *Combining Statements – Nonmajor governmental funds*
- *Schedule of Compensation Paid Board Members*

CITY OF MINDEN, LOUISIANA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2009

	Special Revenue				Capital Improvements		Capital Improvements		Sales Tax		Total Nonmajor Governmental Funds
	Main Street Program Fund	Drug Task Force Fund	Refunding Bonds Series, 2002		City Hall	Street Fund	Series 2001 Sinking Fund				
ASSETS											
Cash and cash equivalents	\$ 9,922	\$ 5,918	\$ 1,501	\$	2,217,946	\$ 342,962	\$ 192,804	\$	2,771,053		
Accounts receivable	-	371	-	-	-	-	-	-	371		
Investments	-	-	526,595	-	-	-	-	-	526,595		
Total assets	\$ 9,922	\$ 6,289	\$ 528,096	\$	2,217,946	\$ 342,962	\$ 192,804	\$	3,298,019		
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts, salaries, and other payables	\$ -	\$ 26	\$ -	\$	-	\$ -	\$ -	\$ -	26		
Total liabilities	-	26	-	-	-	-	-	-	26		
Fund balances:											
Reserved for:											
Debt service	-	-	-	-	-	-	192,804	-	192,804		
Unreserved, undesignated	9,922	6,263	528,096		2,217,946	342,962	-	-	3,105,189		
Total fund balances	9,922	6,263	528,096		2,217,946	342,962	192,804	-	3,297,993		
Total liabilities and fund balances	\$ 9,922	\$ 6,289	\$ 528,096	\$	2,217,946	\$ 342,962	\$ 192,804	\$	3,298,019		

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue				Capital Improvements		Capital Improvements		Sales Tax Bonds, Series 2001		Total Nonmajor Governmental Funds	
	Main Street Program Fund	Drug Task Force Fund	Refunding Bonds Series, 2002		City Hall		Street Fund		Sinking Fund			
REVENUES												
Ad valorem taxes	\$ 24,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,170	
Fines and forfeitures	-	8,107	-	-	-	-	-	-	-	-	8,107	
Investment earnings	-	-	16,712	-	137	582	-	-	250	-	17,681	
Other revenues	5,541	315	-	-	-	-	-	-	-	-	5,856	
Total revenues	29,711	8,422	16,712	-	137	582	-	-	250	-	55,814	
EXPENDITURES												
General government	63,242	-	-	-	281,044	158,697	-	-	-	-	502,983	
Public safety	-	17,210	-	-	-	-	-	-	-	-	17,210	
Debt service	-	-	-	-	-	-	-	-	363,821	-	363,821	
Total expenditures	63,242	17,210	-	-	281,044	158,697	-	-	363,821	-	884,014	
Excess (deficiency) of revenues over (under) expenditures	(33,531)	(8,788)	16,712	-	(280,907)	(158,115)	-	-	(363,571)	-	(828,200)	
OTHER FINANCING SOURCES												
Operating transfers in	35,000	-	-	-	2,498,853	500,000	-	-	367,149	-	3,401,002	
Total other financing sources	35,000	-	-	-	2,498,853	500,000	-	-	367,149	-	3,401,002	
Net change in fund balance	1,469	(8,788)	16,712	-	2,217,946	341,885	-	-	3,578	-	2,572,802	
Fund balances -- beginning	8,453	15,051	511,384	-	-	1,077	-	-	189,226	-	725,191	
Fund balances -- ending	\$ 9,922	\$ 6,263	\$ 528,096	\$ -	\$ 2,217,946	\$ 342,962	\$ -	\$ -	\$ 192,804	\$ -	\$ 3,297,993	

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual

Nonmajor Governmental Fund - Main Street Program Fund

Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	GAAP	Final Budget
			Basis	Positive
				(Negative)
Revenues				
Advalorem tax	\$ 25,000	\$ 25,000	\$ 24,170	\$ (830)
Other revenues	<u>3,000</u>	<u>3,000</u>	<u>5,541</u>	<u>2,541</u>
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>29,711</u>	<u>1,711</u>
Expenditures				
General government	<u>62,000</u>	<u>62,000</u>	<u>63,242</u>	<u>(1,242)</u>
Total expenditures	<u>62,000</u>	<u>62,000</u>	<u>63,242</u>	<u>(1,242)</u>
Excess (deficiency) of revenues over (under) expenditures	(34,000)	(34,000)	(33,531)	469
Other Financing Sources				
Transfers in	<u>34,000</u>	<u>34,000</u>	<u>35,000</u>	<u>1,000</u>
Net change in fund balance	-	-	1,469	1,469
Fund balance at beginning of year	<u>8,453</u>	<u>8,453</u>	<u>8,453</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,453</u>	<u>\$ 8,453</u>	<u>\$ 9,922</u>	<u>\$ 1,469</u>

See accompanying note to budgetary comparison schedules.

SCHEDULE 6b

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-

Budget and Actual

Nonmajor Governmental Fund - Sales Tax Bonds, Series 2001

Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Interest	\$ 150	\$ 150	\$ 250	\$ 100
Total revenues	<u>150</u>	<u>150</u>	<u>250</u>	<u>100</u>
Expenditures				
Debt service	<u>371,003</u>	<u>371,003</u>	<u>363,821</u>	<u>7,182</u>
Total expenditures	<u>371,003</u>	<u>371,003</u>	<u>363,821</u>	<u>7,182</u>
Excess (deficiency) of revenues over (under) expenditures	(370,853)	(370,853)	(363,571)	7,282
Other financing sources				
Transfers in	<u>364,149</u>	<u>364,149</u>	<u>367,149</u>	<u>3,000</u>
Net change in fund balance	(6,704)	(6,704)	3,578	10,282
Fund balance at beginning of year	<u>189,226</u>	<u>189,226</u>	<u>189,226</u>	<u>-</u>
Fund balance at end of year	<u>\$ 182,522</u>	<u>\$ 182,522</u>	<u>\$ 192,804</u>	<u>\$ 10,282</u>

See accompanying note to budgetary comparison schedules.

CITY OF MINDEN, LOUISIANA

**Schedule of Compensation Paid Board Members
For the Year Ended September 30, 2009**

The City of Minden, Louisiana paid the following amounts for compensation to the mayor and members of the City Council as of September 30, 2009:

	<u>Compensation</u>	<u>Car Allowance</u>
Mayor -		
Bill Robertson	\$ 61,950	\$ -
City Council		
Rodney D. Seamster	10,800	1,200
Fayrine A. Kennon-Gilbert	10,800	1,200
Magaline Quarles	10,800	1,200
Tommy Davis	10,800	1,200
Benny Gray	<u>10,800</u>	<u>1,200</u>
	<u>\$ 115,950</u>	<u>\$ 6,000</u>

The accompanying notes are an integral part of this statement.

OTHER REPORTS

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WM. PEARCE JAMIESON, C.P.A. (1991)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Bill Robertson, Mayor,
and the Members of the Board of Aldermen
City of Minden, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minden, Louisiana, as of and for the year ended September 30, 2009, which collectively comprise the City of Minden, Louisiana's basic financial statements and have issued our report thereon dated February 12, 2010. Our report was modified to include a reference to other auditors. We issued an adverse opinion on the aggregate discretely presented component units and an unqualified opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the City of Minden, Employee Benefit Plan & Trust, as described in our report on the City of Minden, Louisiana's financial statements. The financial statements of the City of Minden, Employee Benefit Plan & Trust were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Minden, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than

inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Minden, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to management of the City of Minden, Louisiana in a separate letter dated February 12, 2010.

The City of Minden, Louisiana's response to the findings identified in our audit is included in the accompanying "Management's Corrective Action Plan." We did not audit the City of Minden, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management, others within the organization, City Council, federal awarding agencies and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised State 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Jameson, Wise & Martin

Minden, Louisiana
February 12, 2010

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Bill Robertson, Mayor,
and the Members of the Board of Aldermen
City of Minden, Louisiana

Compliance

We have audited the compliance of City of Minden, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. City of Minden, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on City of Minden, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City of Minden, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the City of Minden, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Minden, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Minden, Louisiana's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of management, others within the organization, City Council, federal awarding agencies and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised State 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Jameson, Wise & Martin

Minden, Louisiana

February 12, 2010

CITY OF MINDEN, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2009

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>Federal CFDA Number</u>	Pass-through Entity <u>Identifying Number</u>	<u>Federal Expenditures</u>
<u>US Department of Homeland Security</u>			
FY 2008 Assistance to Firefighters Grant	97.044	N/A	\$ 151,525
Passed through Governor's Office of Homeland Security and Emergency Preparedness:			
Law Enforcement Terrorism Prevention Program FY 06	97.067	2006-GE-T6-0069	<u>16,383</u>
Total US Department of Homeland Security			167,908
<u>US Department of Transportation</u>			
Federal Aviation Administration:			
Airport Improvement Program	20.106	N/A	2,850
Passed through the Louisiana Department of Transportation:			
FHWA – Safety Transfer funds	20.205	N/A	231,907
FHWA – Enhancement Program	20.205	001-05-0017, 027-04-0022, 744-60-0011	<u>650,413</u>
Total US Department of Transportation			885,170
<u>US Department of Housing and Urban Development</u>			
Pass through the Louisiana Office of Community Development:			
FY 2007 Community Development Block Grant	14.228	#654986	<u>330,293</u>
Total expenditures of federal awards			\$ <u>1,383,371</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF MINDEN, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2009

NOTE A – GENERAL

The accompanying schedule of federal expenditures of federal awards presents the activity of all federal award programs of the City of Minden, Louisiana. The City of Minden, Louisiana (the "City") reporting entity is defined in Note 1 to the City's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE B – BASIS OF PRESENTATION

The accompanying schedule of federal expenditures of federal awards includes the federal grant activity of the City of Minden, Louisiana and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented may differ from amounts present in, or used in the preparation of, the basic financial statements.

CITY OF MINDEN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2009

Part I – Summary of the Auditors’ Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unqualified opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.
- ii. There were no significant deficiencies in internal control that are required to be reported in accordance with *Government Auditing Standards*.
- iii. There were no instances of noncompliance that were considered material, as defined by *Government Auditing Standards*, to the basic financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs were:

CFDA #20.205	Federal Highway Administration – Safety Transfer Funds
CFDA #20.205	Federal Highway Administration – Federal Enhancement Program
CFDA #14.228	Community Development Block Grant Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The City was not required to perform single audits in the previous two years, therefore, the City of Minden does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

CITY OF MINDEN, LOUISIANA
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2009

2008-1 Deposits in excess of adequate security

Origination date: September 30, 2008

Finding: According to LSA RS 39:1225, adequate security is to be pledged by the City for deposits in excess of the federal depository insurance. As of September 30, 2008, the City had approximately \$77,105 in deposits with a local bank, which were not adequately secured.

Corrective Action Taken: Balances adequately secured for fiscal year ended September 30, 2009.

2008-2 Public bid law requirements

Origination date: September 30, 2008

Finding: Louisiana Revised Statutes 38:2211-38:2226 governs process for letting contracts or obtaining quotes when entering into contract for the purchases of material and supplies or contracts for public works projects that cost in excess \$100,000.

We noted several instances where the City did not comply with the requirements of public bid law.

- Purchase of gasoline for use by the City was originally handled through piggy back on the State of Louisiana's state contract for purchase of fuels. This contract ended on September 30, 2007. The City was unable to provide a written contract for gasoline purchases made during the fiscal year ended September 30, 2008, which would indicate that the City met the requirements of public bid law as it applies to the purchase of materials and supplies.
- Tanglewood lighting project was considered a public works project whose cost did not exceed \$100,000, however, the purchase of poles whose total cost was \$29,500, were not advertised and let for bid.
- During the fiscal year ended September 30, 2008, we noted 2 separate instances where the City purchased materials and supplies whose cost exceeded \$10,000 but were less than \$20,000. For purchases of material and supplies within this dollar range, the City is required to obtain three telephone or fax quotes. The City did not provide evidence that quotes were obtained before purchase was made. In one instance, the City cited that there were a limited number of vendors available to purchase from hence making it difficult to obtain the minimum number of quotes.

CITY OF MINDEN, LOUISIANA
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2009

- City began a public works project to replace transformers at the steam plant. The cost of the transformers and additional materials were separately let for bid, however, the total cost of project including labor and materials is estimated to exceed \$100,000. In the event that the total cost of public works project is anticipated to exceed \$100,000, that project must be advertised for bid and let for contract with the lowest responsible bidder.

Corrective Action Plan: Partially. City provided proof of contract for purchase of fuel as allowed by Louisiana law. See management letter comment 2009-1.

MANAGEMENT LETTER ITEM

JAMIESON, WISE & MARTIN
A PROFESSIONAL ACCOUNTING CORPORATION

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WM. PEARCE JAMIESON, C.P.A. (1991)
MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

The Honorable Bill Robertson, Mayor,
and the Members of the Board of Aldermen
City of Minden, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minden, Louisiana, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated February 12, 2010.

In connection with our audit, we made certain observations relative to the records maintained, the accounting procedures in effect, and the overall administration of the financial affairs of the City. As a supplement to the reports, we submit for your consideration, the following observations, which did not meet the criteria of being material to the basic financial statements.

Compliance items considered non-material to basic financial statements:

2009-1 Compliance with bid law requirements

According to RS 38:2212.1 A (1)(a), purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations. A written confirmation of the accepted offer shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file.

Comment: We noted the four separate instances where the City purchased materials and supplies whose cost exceeded \$10,000, and were required to obtain not less than three quotations. The City was unable to provide evidence that quotes were obtained before the purchases were made.

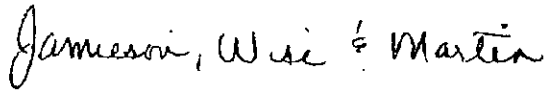
Recommendation: We recommend that the City determine controls which will require the appropriate documentation to be available to ensure that items comply with the requirements of the public bid law.

Management's response: See attached letter.

Our audit procedures are designed primarily to enable use to form opinions on the basic financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

Should you have any questions concerning the contents of this letter or if we can be of any additional service, please contact us at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Jamieson, Wise & Martin".

Jamieson, Wise & Martin

February 12, 2010



Bill Robertson, Mayor
www.mindenusa.com

520 Broadway • P. O. Box 580 • Minden, Louisiana 71058 • Telephone (318) 377-2144 • Fax (318) 371-4200

March 3, 2010

Mr. Daryl G. Purpera
Acting Louisiana Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

In the Management Letter for the Fiscal Year ended September 30, 2009, I offer the following comments:

2009-1 Compliance with bid law requirements

We are aware of RS 38:2212.1 A(1)(a), purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations. A written confirmation of the accepted offer shall be obtained and made a part of the purchase file.

The Clerk has sent a memo to every department head stating that between \$10,000 and \$30,000, three (3) quotes are required by law and a copy of the three quotes needs to be attached to the requisition before it can be approved. The Clerk also attached copies of RS 38:2212.1 and RS 38:2212 as well as copies of the Legislative Auditor's website dealing with Public Bid Laws.

Respectfully Submitted,

Bill Robertson
Mayor, City of Minden

Ava H. Morgan
City Clerk - Treasurer

George W. Rolfe, Jr.
Public Works Director

Charles Minifield
City Attorney

Rodney D. Seamster
Councilman - District A

Fayrine A. Kennon-Gilbert
Councilwoman - District B

Magaline Quarles
Councilwoman - District C

Tommy Davis
Councilman - District D

Benny Gray
Councilman - District E

